1:Stanford U. S-4, 5 1956 AF12 North China
~~AF12~~ AF12

Nanking to permit the establishment of the East Hopei Autonomous Council and the Hopei-Chahar Political Council. Although the personnel of these governments was named by Nanking, their creation undermined the Nationalist Government's sovereignty and control while increasing Japan's military, political, and economic dominance of North China. This was the situation in July 1937 when Japanese troops in the Peiping-Tientsin area clashed with Chinese troops in Lu-kou-ch'iao outside Peiping and precipitated the war of resistance against Japan.[22]

Although China had considerable armed strength in the North when Japan launched a full-scale attack, no determined resistance took place in Hopei and Shansi as developed around Shanghai in the early months of the war. By the end of 1937, the main campaign in the two provinces and Inner Mongolia was completed.[23] The Provisional Government of the Republic of China was established as a puppet regime at Peking in December 1937 with jurisdiction over

22. T.A. Bisson, Japan in China, New York, The Macmillan Company, 1938, pp. 1-153, 290-316.

23. Ibid.

648 Suiyuan, Chahar, Hopei, Shansi, and Shantung.
642 When the Reformed Government was established
• 727 at Nanking in March 1940 under Japanese tutelage, as the political authority for all China, the Provisional Government was sublimated into the North China Political Council to maintain semi-autonomy in the North China Region. In actuality, neither political unit had any real power, attracted no important Chinese leaders to their standards -- other than Wang Ching-wei, head of the Nanking puppet regime -- and derived no real support or recognition from the Chinese people.[24]

648 729 Japan, content with dominance in the large cities and along communication lines, did not attempt to control all of Shansi and Hopei. In the areas under their command, the Japanese promoted a revised form of Confucianism that had been worked out in Manchukuo and was calculated to both make the conquered people more subservient and given them a sense of continuity with the past. A New People's Association (Hsin-min-hui) was also set up with the intention of regimenting the populace and

24. George E. Taylor, The Struggle for North China, New York, Institute of Pacific Relations, 1940, pp. 20-26, 31-32, 64-65, 151-56, 176, and passim; and Paul M. Linebarger, The China of Chiang K'ai-shek [sic]: A Political Study, Boston, World Peace Foundation, 1941, pp. 183-210.

1:Stanford U. S-4, 5 1956 AF12 North China
~~AF13~~ AF12

leading them into new activities beneficial to Japanese control and economic exploitation. Whatever chance Japan had for gaining the sympathy of the people of North China was precluded by the occupying army's indiscriminate looting and destruction of property and inhuman treatment of the conquered people.[25]

H. The Role of the Universities

Alghouth Shansi and Hopei remained the stronghold of political reaction up to the Japanese invasion of China in 1937, the voice of New China occasionally burst forth from the North to electrify the whole nation. After the establishment of the Chinese Republic in 1912, a need arose to define the goals and values of the new society. In order to do so, a number of intellectuals began re-examination of China's past and of existing Western ideologies. The dissemination of the new goals and values thus formed began about 1915 and resulted in what is known as the New Culture Movement. Although the movement was nationwide, its

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25. See references preceding footnote; Bisson, op. cit., pp. 293, 301; and Theodore H. White and Annalee Jacoby, Thunder out of China, New York, William Sloane Associates, Inc., 1946, pp. 63-66.

668 only to remnants of the Nationalist Government forces on the Mainland and the long-active bands of robbers. Since then, it has been used broadly to identify all anti-social and subversive groups.

727 669 Remnants of the Nationalist Government forces gave the Communists little trouble in the North China Region. Their organized resistance ceased as soon as peace was declared in the region after the capture of Peking on January 31, 1949. According to a Communist report, the surrender of the city by its Nationalist commander Fu Tso-i put out of action a quarter of a million Nationalist troops.[2] In the same month, a total of 628,000 troops went over to the Communists in the North China Region. About half of these captured soldiers were reorganized into Communist units,[3] and the rest were discharged and ordered to their homes. Many of the discharged troops who had not reached home before the complete conquest of the Mainland were recaptured. Non-natives of North China remaining in the region were detained for rehabilitation or forced labor. In Peking, an estimated 15,770 former Nationalist servicemen were arrested.[4]

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2. Ti San-ts'u Kuo-nei Ko-ming Chan-cheng [Brief Summary of the Third National Revolutionary War], Peking, Jen-min ch'u-pan-she, 1954, pp. 140-41.

3. Ibid., p. 218.

4. Report of P'eng Chen, mayor of Peking, Jen-min Jih-pao [People's Daily], Peking, Jan. 31, 1950.

668 Although the Communists optimistically declared the conclusion of the 1951 movement in the North China Region, counterrevolutionary activities did not cease after that year. Repeated warnings calling for suppression have been issued since 1954. The convention of the Second Session of the National People's Congress in July-August 1955 again affirmed the Communists' determination to renew the campaign against counterrevolutionaries. Shih Liang, Minister of Justice, reported in a speech to the Congress that the number of cases of counterrevolutionary activity was increasing.[13] During [674] 1954, counterrevolutionary cases constituted only 1.5 per cent of all criminal cases; in 1955 they were estimated at 4.8 per cent.

668 727 2. Former Nationalist Troops and Armed Resistance. The large-scale surrender of Nationalist troops in the North China Region eliminated many organized resistance groups. Either through imprisonment or reorganization, the Communists succeeded in establishing control over the large majority of former Nationalist servicemen. In Peking, in the year following the Communists' seizure of power, some 743 former Nationalist officials were arrested, 6,425 were forced to register, and 15,770 soldiers were placed in custody.[14]

669 Although organized resistance was not offered by Nationalist troops, their activities

13. Text of speech, ibid, July 30, 1955, p.6.
14. Ibid., Jan. 31, 1950, p. 1.

708 for the suppression of counterrevolutionaries,
669 the Communist regime apparently concentrated on the exposure and extermination of Nationalist intelligence networks. In Peking, for example, within a period of nineteen months, 179 cases involving espionage were prosecuted.[17] Among the 1,565 intelligence workers arrested were reported to be representatives of practically every intelligence organization within the Nationalist Party. In Shihchiachuang, Hopei Province, the Communists announced the discovery of a major intelligence organization, the Kung-chiao Pao-kuo-t'uan, and charged it with engaging in espionage against the regime.[18] Of the organization's personnel captured, only a few were accused of being leaders; one of them was charged with executing 160 underground Communist Party members. The elimination of other Nationalist intelligence teams in cities and rural areas was announced at this time.

727 Although the majority of former Nationalist
668 intelligence woekres was arrested, Kuomintang officials and army officers above the rank of captain were placed under surveillance and required to register with public security agencies in 1951. At one time, 392 former intelligence workers and 3,430 Kuomintang Party members above the rank of ch'u secretary in Peking were placed under surveillance.[19]

17. Hopei Daily, Oct. 2, 1950, p. 1.
18. Ch'ang-chiang Jih-pao (Yangtze Daily), Oct. 22, 1950, p. 4.
19. Hopei Daily, Oct. 21, 1950, p. 1.

1:Stanford U. S-4, 5 1956 AF12 North China
~~AF12~~ AF 12

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727 The Nationalist Government managed to save a large number of government-owned ships Communist confiscation by moving them to Formosa at the time of evacuation in 1949. It was reported that less than 20 per cent of the shipping tonnage of the government-owned China Merchant Steamship Company was left to the Communists.[24] But because of the Communists' vigorous efforts, building new ships as well as salvaging and repairing damaged ships, a substantial recovery was made between 1950 and 1954. The Tangku Dockyard near Tientsin is one of a dozen well-equipped dockyards in China. According to incomplete statistics released in October 1952, the Tangku Dockyard had repaired or rebuilt some 391 ships of various types since the Communist occupation of North China.[25] Salvaged ships from the sea off the coast of North China and from rivers in the vicinity of Tientsin are estimated to have been about 100 in number.[26]

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24. Economic Weekly, Shanghai, Jan. 1950, Vol. X, No. 1, pp. 7-8.

25. Navigation in Communist China, Taipei, 6th Section, Central Committee, the Nationalist Party, 1953, Part I, p. 17.

26. Ibid.

8: Lin E-5 (1927)1928 AF12 North China AF12

ing the salt industry of this country.

In addition to the improvements of salt refining, the staff of the Research Institute has also worked out valuable results regarding the industrial uses of salt. Two industrial concerns, the Pacific Alkali Works and the Po Hai Chemical Works, may be said to be the offshoots of the Research Institute in that both are makiug use of the results of its research and are developing them along commercial lines.

It should be pointed out that the supply of crude salt produced in Tangku and its neighbouring districts has always been in excess of its demand. Take Hanku for an example. Its productive capacity per year has been 4,000,000 piculs, while only one-half of it is actually sold. The sheer waste attendant upon salt production in this country is certainly astonishing. It has also been estimated that 800,000 piculs of mother liquor, an important by-product of salt have been thrown away every year without any recognition of its value. If the Research Institute could continue to work on the industrial utilization of salt, as it has already done in making possible the establishment of the two companies—the Pacific Alkali Works and the Po-Hai Chemical Works—it would not only help solve the problem of turning to good account the enormous amount of salt which would otherwise be wasted, but also confer an enormous benefit on the multitudes of salt producers throughout China by giving them livelihood.

The town of Tangku has experienced during the last thirty years several vicissitudes. The year 1898 marked the beginning of a phenomenal growth, for in that year the riverway leading from it to Tientsin was blocked by silting to such an extent that steamers of over one thousand tonnage had to lay anchor at Tangku where loading and unloading of goods were effected. The town at once found itself flourishing and prosperous, for what had been originally a mere outer port now became the only important gateway of North China. In 1900, however, came the Boxer Uprising. Being the main entrance to Tientsin and Peking,[1]

[1] Now changed to Peiping by order of the Nationalist Government.

8: Lin E-5 (1927)1928 AF12 North China AF12

727 the town was the first to suffer from the heavy cannonad-
504 ing of foreign troops. It was practically demolished by gun-fire and the inhabitants of Tangku had to flee for their lives and seek refuge in distant villages. In fact, what they had saved were only their lives, for whatever they had, homes as well as properties, were either pillaged or destroyed. Then the French, Japanese, German and Russian troops seized huge tracts of land along the river for the building of barracks to house their garrisons. Except the Germans and Russians, the French and
504 Japanese hava retained possession of the land ever since. In the meantime, the port of Tientsin again became accessible to ocean-going steamers. In those years, the town of Tangku suffered a decline from which it has never recovered. The appearance of the Chiu Ta Factory, however, has contributed greatly to the development of Tangku. At least in its immediate neighhourhood, roads and bridges have been built and an electric plant installed by the Factory. Towards education, police and welfare work, it has also contributed its share. It is no exaggeration to say that the Chiu Ta Factory has been a civilizing influence in this once decrepit town and it has promoted its material as well as spiritual progress. In the summer of 1927, the river route to Tientsin wos again blocked by silt and Tangku has once more become the port where goods and passenger traffic to and from Tientsin must pass through.

II. WORKERS OF THE CHIU TA FACTORY

463 Classification of Workers.—The workers of the Chiu Ta Factory fall into two classes, common labourers and skilled labourers. The latter may be further distinguished as (1) skilled labourers, (2) semi-skilled labourers and (3) apprentices. The skilled labourer has been trained either in the factory or in some other place. The semi-skilled labourer is generally recruited from among common labourers, but he is required to assist in skilled work. He is accorded the same treatment as the common labourer, only his wage is increased more frequently; and being engaged in more or less skilled work, he could gain knowledge